

PROPERTY OF
PRINCETON UNIVERSITY
RECEIVED SEP 15

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.—James Monroe

VOLUME XV, NUMBER 2 WASHINGTON, D. C. SEPTEMBER 17, 1945

Full Employment Is Big U. S. Problem

Murray Measure, Now Before Congress, Would Place Responsibility on Government

DEEP-SEATED ISSUES ARE INVOLVED

Future Relationship of Government to Private Industry Brought to Fore in Discussions

For weeks prior to the reconvening of Congress on September 5, the Senate Banking and Currency Committee had been studying one of the most controversial measures ever presented to the national legislature. It is the so-called Full Employment Bill, introduced in the upper house by Senator James E. Murray of Montana. Representatives of all groups interested in this piece of legislation have appeared before the Committee to express their approval or disapproval of it. Business, labor, government, as well as other groups have been heard. President Truman has requested Congress to enact this measure. Most of the members of his administration support it.

Undoubtedly the Murray bill will be one of the most important measures to be taken up by the first peacetime Congress. It will also be one of the mostly hotly debated pieces of legislation to come before the present session. The issues which it raises are deep seated. They involve the very vital matter of the relationship between government and private industry in this country. For the Murray bill, if enacted, would place upon the federal government a responsibility which it has never assumed before; that is, the responsibility of seeing to it that every person able and willing to work be given the opportunity to work.

Objective of Measure

The basic objective of the Full Employment Bill is clearly stated as follows in the measure itself: "All Americans able to work and seeking work have the right to useful, remunerative, regular, and full-time employment, and it is the policy of the United States to assure the existence at all times of sufficient employment opportunities to enable all Americans who have finished their schooling and who do not have full-time housekeeping responsibilities freely to exercise this right."

This is admittedly a big order and one which perhaps has never been completely filled before in this country in time of peace. Despite the fact that all sorts of measures were tried by the government during the 1930's to wipe out unemployment, the average number of jobless during that decade was in the neighborhood of 10 million.

There are differences of opinion as to the exact number of jobs which must exist in this country in order to

(Concluded on page 6)



Millions of Europeans are now facing starvation

Millions in Europe Now Face Starvation

Desperate Situation Prevails in Most Countries Formerly Occupied by Germany

UNRRA IS PROVIDING ASSISTANCE

But Lehman Warns That More Food Must Be Supplied if Chaos Is to Be Prevented

By Walter E. Myer

It is hard for Americans to realize the extent to which a great part of the world has been left in wreckage by the war. We have our postwar problems, to be sure, and some of the tasks ahead of us, such as changing our industries from a wartime to a peacetime basis and maintaining full employment, are difficult enough; but our land has not been invaded and despoiled. Our factories and machinery have not been destroyed, nor our soil impoverished, nor our communication systems demolished. While we have suffered inconveniences, our standard of living has not been lowered and we have been spared the horrors of famine and pestilence.

Widespread Destruction

The people of Europe and much of Asia are less fortunate. The situation is especially bad in the countries which were occupied by the German armies and then liberated by the Allies. In Poland, the Netherlands, Belgium, France, Italy, and Yugoslavia, for example, many of the bridges, and in some districts, nearly all of them, have been destroyed either by the retreating Germans or by Allied bombs. Railway locomotives and cars have been destroyed or taken away by the Germans. So have the trucks which might otherwise be used to carry goods from town to town or from one section of a country to another.

Machines and equipment used in factories have largely been ruined by the receding or advancing armies. The same is true of agricultural implements. Cattle, hogs, and the produce of farms have been taken away. Many of the coal mines have been destroyed, and there is no fuel either to heat the homes, to keep the wheels of industry going, or to operate the railroads, even if equipment were available.

Under such conditions, the people endure frightful privations and suffering. In Paris, the population is trying to eke out an existence on 1200 calories a day, which is just about one-third of the amount consumed by the average person in the United States, and is not much over half of what food experts consider necessary to maintain life and health. There is a serious lack of bread, fats, sugar, and coffee. Children who have nothing to eat but bread and potatoes fall easy prey to diseases, and many of them are developing pneumonia and bronchitis. Homes are unheated, and hospitals

(Continued on page 2)

Going Through the Mill

My attention was called not long ago to a cartoon which represented a popular idea of a school and the service it offers to students. The drawing outlined a large mill with a hopper at the top. Into the hopper a nondescript lot of boys and girls were stepping. A teacher turned the crank, and at the opposite end of the mill the finished product marched forth—a fine body of young men and women, poised, competent, well educated, obviously prepared to take care of themselves and enjoy comfortable places in society.

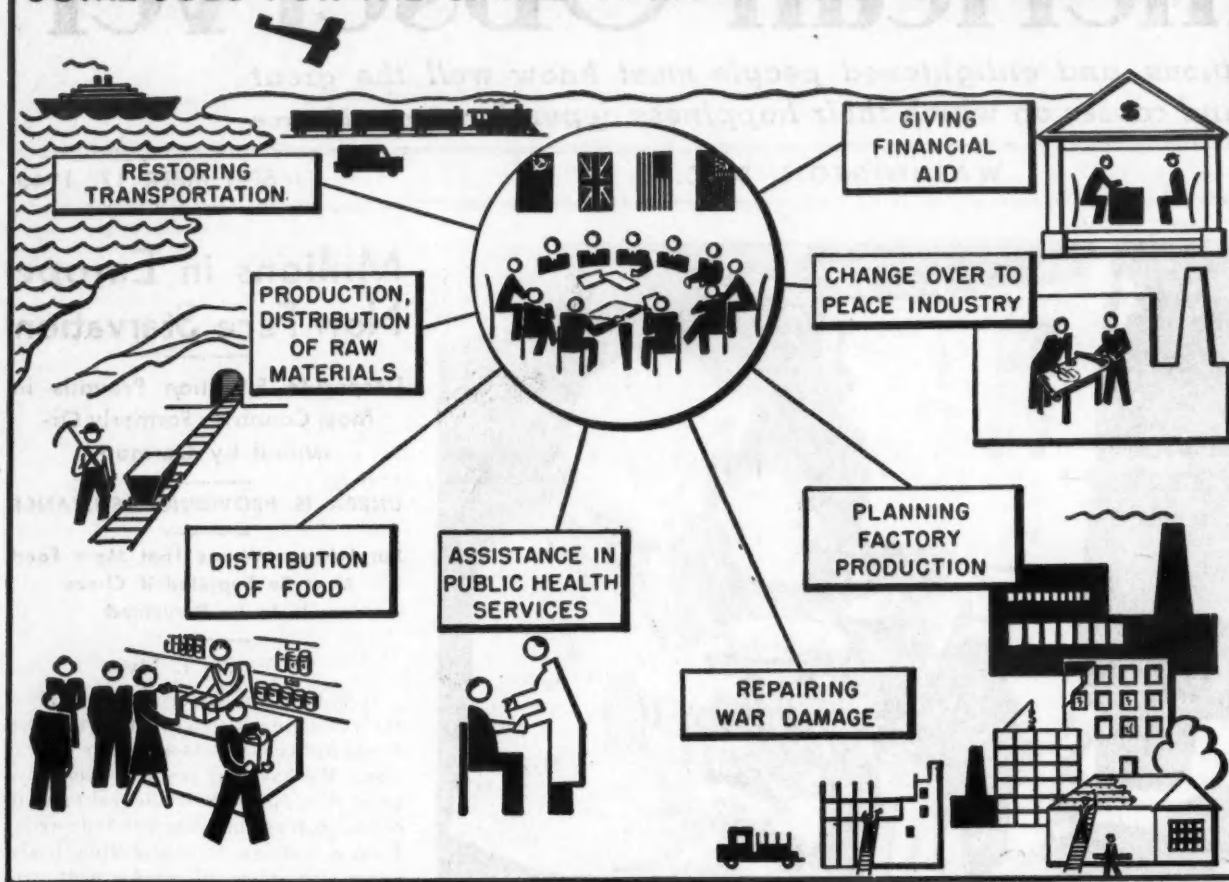
I am afraid that a good many students accept this passive idea of education. They want to enjoy the benefits which education is supposed to furnish, and they have a blind faith that the school will do everything for them that needs to be done; that all they must do is to attend classes and do what they are told to do.

Now there is nothing to be said against attending classes and doing what is required. That is, of course, a necessary step to take. But it is not enough. Getting an education is not such a simple matter as that. To obtain really satisfactory results the student must be active rather than passive. He must look upon the school, not as a machine which grinds out its product automatically, but as an opportunity, or a series of opportunities, which one may use to further his own education.

It is important that each student should have a fairly definite idea of what he expects to accomplish in school. He should keep these objectives in mind. One may hope, for example, to broaden his interests, to become a wide reader, to be an interesting conversationalist, to gain poise, to achieve leadership. He may wish to obtain information in the fields of science or economics. He may plan to read and speak in a foreign language. These are a few of many goals he may expect to reach.

The student uses the courses which the school offers to achieve these results. But he should not assume that the results will come automatically. He should stop now and then to inquire whether he is really acquiring the sort of education he has in mind; not whether his grades are good, but whether he is actually reading more widely or gaining helpful scientific knowledge or reading in a foreign language, or achieving other desirable results. If not, he should talk the problem over with his instructors. Perhaps he should change some of his courses or improve his study habits. But above all he should remember that while the school offers him opportunities and while his teachers may be helpful, responsibility for achieving an education rests chiefly with himself.—W. E. M.

SOME JOBS FOR THE UNITED NATIONS RELIEF ORGANIZATION



PICTOGRAPH CORP. FOR PUBLIC AFFAIRS COMMITTEE

Europe's Starving Millions

(Continued from page 1)

back drugs and medicines with which to treat their patients.

In Belgium, 33 per cent of the children have developed tuberculosis, and the death rate among them has risen by 44 per cent. In many of the cities of Poland, milk can be obtained only for children under two years old and then in pathetically small amounts. In Yugoslavia, 80 per cent of the people are in rags and 500,000 homeless children are roaming over the country with little food or clothing. Throughout most of Europe, actual starvation threatens. A large proportion of the babies are dying of malnutrition, and tuberculosis and typhoid are developing at an alarming rate.

Relief on a Grand Scale

If famine is to be prevented in the liberated countries, and if 180 million Europeans are to get back on their feet so that they can operate their industries and live decent, comfortable lives, relief on a grand scale must come to them, and it must come quickly. Furthermore, it must be advanced chiefly from the United States, for this country is the only large nation which has not been devastated by war, and it is the only one which has a sufficient surplus to furnish relief in proportion to the need. There are three compelling reasons why the people of the United States should act quickly and generously to relieve the distress of the liberated countries.

The first is the humanitarian argument. A nation which makes any pretense of having accepted the Christian philosophy of life cannot turn a deaf ear to the appeals of those who, through no fault of their own, are in distress. Americans are a fortunate people, a well-fed people, despite inconveniences and shortages along a few lines. The per capital food consumption here is now three per cent above the average for the prewar years

1935-39. No humane American can enjoy the relative comforts which life affords here with the cry of hungry children ringing in his ears.

If the humanitarian argument were the only one which could be advanced for our active participation in the relief of Europe, it would surely be enough. But it is not the only one. Even those who are guided only by selfish motives want peace and order to prevail in the world. They know that we fought this war not merely to defeat Germany and Japan, but to create a situation under which war would be less probable. They know, furthermore, that there will not be peace and order and security if 180 million people in the heart of Europe are hungry. For hungry people are not orderly—neither are they democratic. They will break out in all kinds of disturbances and will establish dictatorships, surrendering freedom for wild hopes of obtaining food and clothing and shelter. These disturbances, if they should come, would probably spread around the world.

The third argument is economic. If the nations of western Europe enjoy a fair degree of prosperity, their trade with us will increase. They will be able to buy more of our products, which will promote prosperity in our own country.

The United States and other members of the United Nations Organization have already accepted in principle the proposition that they should relieve European distress. Some time ago they established the United Nations Relief and Rehabilitation Authority (UNRRA). Its job is to supply food, clothing, and other essentials to the people of nations which are not able to pay for the supplies they require, and in other ways to help these distressed peoples (see chart). In order to get money to carry on the relief work, each member

nation contributes an amount equal to one per cent of its annual income.

The burden falls most heavily upon the United States, for the income of this nation is far greater than that of any other. For the present year, America was supposed to pay \$1,350,000,000 to carry on the relief activities. Congress has already appropriated \$800,000,000 of this amount and still owes \$550,000,000.

UNRRA now finds that the job is a bigger one than had been expected. It has done a great deal of relief work, principally in Poland, Czechoslovakia, Yugoslavia, and Greece. Now that the war in the Far East is over, it is possible to send supplies to China and Korea, which are in as great need as any of the European nations. Furthermore, Russia has asked for \$700,000,000 for relief in its devastated areas.

More Funds Needed

Accordingly, the officials of UNRRA, headed by Herbert H. Lehman, at a recent meeting in London, decided that they needed twice as much money as the nations which support it had agreed to give, and they now ask that each nation make a second contribution equal to the first.

The raising of money with which to buy supplies for needy Europeans is only part of the job which UNRRA has to do. After having acquired the money it must purchase the supplies which are most needed from the nations where such goods can be obtained. It frequently finds that the goods which it most needs are scarce everywhere, and that no nation will sell the materials which are most desired.

For example, during the third quarter of 1945; that is, July, August, and September of this year, UNRRA tried to buy 11,310 tons of condensed milk from the United States to distribute to the undernourished people

of Europe. The American officials who had charge of making the sale, however, permitted UNRRA to buy only one-tenth of the amount. Similarly, UNRRA tried to buy 4,464 tons of meat in this country and could obtain none. It undertook to purchase 4,921 tons of dried eggs and got none. It asked the American government to permit it to purchase in this country 35,416 tons of lard and got 2,900 tons. It asked for 2,943 tons of margarine and 34,446 tons of sugar, but got none.

The American authorities who were asked to release these articles so that UNRRA could buy them to distribute in Europe would not permit UNRRA to acquire them because there are shortages in the United States. Americans would have had to make a sacrifice to supply these articles which are so sorely needed by the Europeans.

Matter of Dispute

Whether or not this action was wise is a matter of dispute. Some people argue that this country should contribute only such things as it can furnish without sacrifice on the part of our own people such as wheat and other grains, whereas others argue that we should give what is needed even if this means continued rationing; that though the scarce articles are needed in America they are needed far more in countries where people are actually starving. This is one of the big issues which have arisen with respect to American policy toward European relief.

Even when UNRRA gets the materials which are most needed to relieve the suffering in Europe, its troubles are not over. The goods must be shipped to Europe, and it is sometimes hard to get the required amount of shipping space. Furthermore, when the goods are delivered to the countries where they are needed it is hard to distribute them to the people of all parts of the country, since railway traffic has broken down and trucks are very scarce.

UNRRA takes an active part in the attempt properly to distribute the goods. In some cases its representatives repair bridges and railroads. Furthermore, the organization uses part of its money to obtain trucks which the United States Army has on hand in Europe, though not many trucks have yet been delivered by the Army for that purpose.

It should be noted that UNRRA carries on relief operations only among countries which are not able to pay for relief. It is essentially a charitable organization. Certain of the coun-

The American Observer

Published weekly throughout the year (except during the Christmas and Easter holidays, and three issues from the middle of August to the first week in September) by the CIVIC EDUCATION SERVICE, 1733 K Street, N. W., Washington 6, D. C.
Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester. For a term shorter than a semester the price is 3 cents a week.
Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

Civic Education Service Publications
The American Observer
The Junior Review
The Young Citizen
The Civic Leader

EDITORIAL BOARD

Francis L. Bacon Harold C. Moulton
Charles A. Beard David S. Muzzey
Walter E. Meyer, Editor
Executive Editor Managing Editor
Paul D. Miller Clay Coss
Senior Editor
J. Hubert Anderson
Associate Editors
Virginia Black Wilbur F. Murra
Anne Crutcher Kenneth F. Weaver
Art Editor
Kermit Johnson

Suggested Guide for Study

tries—France, Belgium, The Netherlands, and Norway—have said that they do not want help of this kind. They do not have the money on hand to pay for the goods they need, so they will undertake to borrow it from the United States or elsewhere, and with this borrowed money, which they intend eventually to pay back, they will try to buy goods needed by their people, just as UNRRA is trying to buy supplies for the lands it is now serving.

Despite complications and difficulties, only part of which have been mentioned in this article, food and clothing can be shipped and distributed to the hungry millions of Europe. Bridges can be rebuilt, railways can be repaired, raw materials and machinery can be furnished to factories, farms can be restocked, populations can be put on their feet so that they can take care of themselves. Herbert H. Lehman, director of UNRRA, thinks that this can be done if assistance is continued throughout the year 1946.

It can be done if, and only if, we approach the task in the spirit which sustained us in the winning of the war. While we were at war obstacles, however mountainous, were merely challenges. We did seemingly impossible things because we did not admit the possibility of defeat, because we were willing to sacrifice, because our courage was equal to the great task which confronted us.

The crucial period is the year or two now before us. If, during that short period, we rise nobly to a great occasion, the healing forces of restoration may do their work and we can

WE are introducing a new feature this week in the hope that it will promote wider reading, clearer thinking, and increased citizenship activity on the part of our readers. The feature will ordinarily be based entirely or largely on the two main articles which begin on page 1. It will include the questions which have, until now, appeared under the heading of "News Quiz." We shall start our discussion on the food article which is featured in this issue.

Essential Facts

After reading this article, you should be certain that you have the essential facts clearly in mind. As a way of testing yourself, see if you can answer these questions:

1. Account for the fact that the people of the liberated countries are at present unable to take care of their food requirements.
2. Describe the situation which prevails in France, Belgium, Yugoslavia.
3. What are the three arguments in favor of American help for the distressed people?
4. What is UNRRA supposed to do? How does it get its money?
5. Why is it hard for UNRRA to obtain some of the supplies it needs?
6. Why is it that certain countries which are in vital need of food cannot get help from UNRRA?

Additional Reading

If you can answer the above questions satisfactorily, the next step in preparing yourself to help decide what should be done about the world food problem is to do some additional reading. If you can go to the library for an hour or two, you will find a great deal of information on the subject in the following magazine articles:

In *Fortune*, May 1945, beginning on page 109, there is a long article giving facts about the situation in the liberated countries, difficulties in the way of relief operations, and a program which Americans might follow. This article, in short form, appears in *The Reader's Digest*, July 1945, pages 12-17.

In the *Christian Century*, May 23, 1945, page 621, there is a moving appeal for American action in providing swift and adequate relief.

The *Nation*, in its July 21 issue, asks and attempts to answer the question: "Can UNRRA Stop Famine?"

The July issue of *Foreign Affairs*, pages 543-555, discusses the long-range significance of Europe's food and general crises.

Other articles on this subject may be found by consulting *The Readers' Guide to Periodical Literature*.

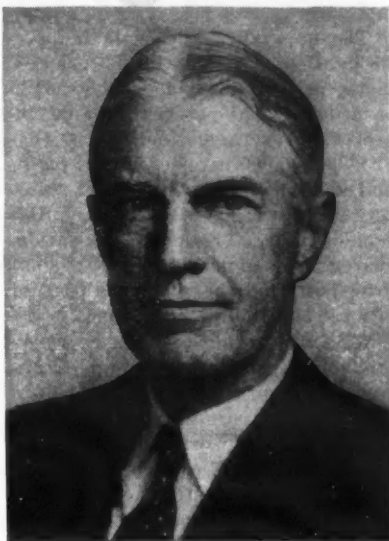
Attitudes

After doing as much reading as you can, give some thought to what your attitude is toward this question. Consider whether you changed your views at all since you began your reading program, or whether you have about the same opinions as you did when you started. Ask yourself this question:

Would I personally be willing to go without certain foods not needed for my health but which I would like very much to have, so that more of these foods might be distributed to people in other countries whose health and lives are endangered by hunger? Would I be willing to have members of my family make a similar sacrifice?

Action

When you have finished your reading and thinking and forming of opinions, then it is time to take action. An individual may be well informed, but if



Will Clayton
American representative on UNRRA

he does not take positive steps in working for his ideas and views, he is not a good or effective citizen.

You may exert a real influence by doing these things: Express your views to your friends, in school and out. Write letters expressing your opinions to the chairmen of the congressional committees which have charge of the problem. The Appropriations Committees of the House and the Senate are now considering the request of UNRRA for a larger U. S. contribution to its relief fund (refer back to article on page 1). The chairman of the House Committee is Representative Clarence Cannon of Missouri; of the Senate Committee, Carter Glass of Virginia.

You might also write letters to the member of the House of Representatives from your district and the U. S. senators from your state. Write to the editor of your local newspaper, setting forth your views. You would be surprised to know how much attention public officials and newspaper

editors give to letters which are written to them.

Full Employment Bill

Much the same procedure may be followed in studying and acting upon this problem as we suggested in the case of the food question. First, test yourself on the facts in the article:

1. Why is the Murray measure called the Full Employment Bill?
2. Under its terms, how would the President attempt to find out whether there was danger of unemployment?
3. If he thought there was such danger, what would the bill have him do about it?
4. True or false? The Murray bill requires that Congress must accept the President's recommendations for preventing unemployment.
5. What are the main arguments for this measure?
6. What are the main arguments against it?

References

Sixty Million Jobs, by Henry A. Wallace. Pamphlet edition, Simon & Shuster, \$1. Cloth-bound edition, Reynal & Hitchcock, \$2. A concise statement of the views held by the Secretary of Commerce concerning the government's responsibility for maintaining full employment. "Plan for Full Employment: How 'Nation's Budget' Works." *United States News*, September 7, 1945. A careful explanation of the proposed "nation's budget" with examples showing how it would work.

"The Full-Employment Bill," by George Soule. *New Republic*, August 6, 1945. The author answers 18 questions on the meaning and possible effect of the Full Employment Bill.

"Keeping the Country at Work," by Paul G. Hoffman. *Atlantic*, July, 1945. The president of the Studebaker Corporation describes the work of the Committee for Economic Development, an organization of businessmen devoted to assisting in the planning of postwar business expansion to secure high levels of employment after the war.

The Road to Serfdom, by Friedrich A. Hayek. Condensation from the book in the *Reader's Digest*, April, 1945. An internationally known economist, now Professor of Economic Science at the University of London, warns against government control of economic affairs.



Herbert H. Lehman
Head of UNRRA

confidently expect to realize peace in our time.

If, on the other hand, we quibble and hold back and listen to the cynics who complain about our being asked to play Santa Claus, the ill effects of our failure of leadership may be witnessed for years to come in weakened bodies, twisted minds, and inevitable political confusion.

We have won a great war and have halted German and Japanese aggression. Whether we shall use victory to restore a broken world, or merely to substitute chaos for fascist aggression depends upon decisions which must presently be made.

Just as food served as a potent weapon in winning the greatest war in all history, so may it serve to heal the wounds left by war and start the world on the difficult road to rehabilitation and reconstruction.



BEING RECONVERTED. Hundreds of war plants throughout the country are now being retooled for civilian production. Here at the Casco plant in Bridgeport, Connecticut, workers are retooling the plant so that production of heating pads and electrical and automotive equipment may begin with a minimum delay.

The Story of the Week

Reconversion Progress

Although the new era of peacetime is scarcely a month old, the government is already well along with the big job of reconversion. By the end of September, the Office of War Mobilization and Reconversion expects to have reduced munitions production to 60 per cent less than the July level. By December, it should be down 80 per cent. Within 10 days after Japan's surrender, the U. S. Employment Service had placed 900,000 of the 2,700,000 people newly unemployed in peacetime jobs. It has currently found places for half a million more.

These are only a few of the reconversion accomplishments detailed by



Now clean up the wreckage and rebuild the world!

War Mobilization and Reconversion Director John W. Snyder in his recent report to President Truman. Looking toward the future, Snyder endorsed the following reconversion goals:

There must be prompt settlement of all war contracts, immediate clearing of government-owned machinery from all plants, and early release of manpower from both war work and the armed services. The activities of both public and private employment services must be stepped up and benefits must be provided for those thrown out of work. Controls on materials must be dropped to stimulate peacetime production. Production of scarce items must be pushed. Certain basic economic stabilization measures, such as price control, must be maintained to prevent either inflation or deflation.

Our Expanding Industry

The war years constituted a period of record growth for American industry, according to the latest WPB report. Production of raw materials jumped more than 60 per cent beyond prewar levels and, at the same time, the country's capacity to make industrial goods increased 40 per cent.

The only industries which failed to expand between the beginning of the defense program and Japan's capitulation were printing, publishing, clothing, and shoes. Leaders in expansion were, of course, the heavy industries making direct war goods. The production of steel ingots, for example, went up 70 per cent from the 1940 level—a rise of 50 per cent above the peak reached in 1929. But industries producing goods for civilian consumption held their own, turning out supplies equal in most fields to those on the market in 1939.

The unparalleled boom in industry brought gross profits to 350 per cent above prewar levels and profits after taxation to 120 per cent beyond the peacetime average. With more than \$25,000,000,000 invested in new plants and equipment, the net worth of industry increased about a third. Both small and large business organizations shared in the general prosperity, small firms bettering their financial position at least as much as larger ones.

With the expansion of the country's productive capacity, both wages and hours of work went up. Average hourly wages rose 50 per cent, while total man-hours worked showed an increase of about 75 per cent. A 40 per cent rise in industrial employment, combined with a 20 per cent extension of the average work week, account for the jump. In the wake of rising wages, prices also increased—60 per cent for raw materials and 20 for manufactured goods, both civilian and military.

Bases for Defense

To guarantee United States security, the Navy is asking Congress to establish 15 important new bases—nine in the Pacific, six in the Atlantic. The requested Pacific bases, stretching from the Aleutians to the Admiralties, include Kodiak, an island port off the southern coast of Alaska; Adak, in the Aleutians; Hawaii; Balboa, in the Panama Canal Zone; Guam, Saipan, and Tinian, which are to be considered as a single base; Iwo Island, located in the Volcano groups; Okinawa, in the Ryukyus; Manus, in the Admiralty group; and the Philippines. On the Atlantic side, the Navy recommended the establishment of bases at Argentina, Newfoundland; Bermuda; Roosevelt roads in Puerto Rico; San Juan, in Puerto Rico; Guantanamo Bay, Cuba; Coco Solo, in the Panama Canal Zone.

To Navy strategists, these bases represent a minimum requirement for our future defense. Others may be added to the "must" list in time, including a number which should be held to keep them out of enemy hands rather than to fill specific Navy needs.

Most of the bases under consideration are located on American territory and thus will provide no international problems. A few of the key islands in the Pacific are former Japanese possessions or League of Nations mandates. One, Manus Island, is cur-



DISTINGUISHED VISITOR. Prior to her return to Chungking, China, Mme. Chiang Kai-shek, wife of China's leader, visited President Truman in the White House. Mme. Chiang will help her husband with the difficult problems of reconstruction in China.

rently a British holding. It is considered particularly desirable because of its fleet anchorage—one of the finest in the entire Pacific.

Lend-Lease Aftermath

Throughout the war years, our major allies have, to greater or less extent, propped their economies on American lend-lease. Poverty-stricken Britain in particular made lend-lease the key factor in her economy.

Thus the termination of lend-lease, which followed speedily on the news of Japan's surrender, raised both problems and protests. Although the legislation authorizing this form of aid to our allies had made it clear that lend-lease would continue only so long as the war continued, both Britain and Russia found themselves unprepared to carry out postwar reconstruction plans without it. Both pleaded for a gradual tapering off, or for the introduction of some new form of aid to replace it. Britain sent her leading economic thinker, John Maynard Keynes, to Washington to negotiate over the matter.

As things stand now, lend-lease itself is out of the picture. While the final arrangements for settling up foreign debts incurred through it have not yet been made, President Truman has specified that the United States will not ask for repayment in cash. To help our allies reestablish them-

selves, this country will extend loans through the Export-Import Bank. Later, the Bretton Woods International Bank may fill most foreign needs. The exact size of loans to be extended in the near future has not yet been decided. The needs of our chief allies have been estimated as follows: Britain, \$3,000,000,000; Russia, \$1,000,000,000; China, \$500,000,000; and France, \$240,000,000.

A Unified China?

Many people feared that the end of the war with Japan, far from bringing peace to Asia, would touch off a new conflict—civil war in China. But the signing of the new Sino-Russian treaty of friendship has changed the balance of power in such a way that a peaceful settlement of differences between the two factions is now regarded as likely.

In the treaty, Russia recognized China's sovereignty in Manchuria and promised to keep hands off China's internal affairs, including those of Inner Mongolia and Sinkiang, in exchange for railroad privileges and the use of Port Arthur and Dairen in Manchuria. This served notice to the Chinese Communists that they could not look for Russian support if they attempted to fight the Chiang Kai-shek government. As a result, Chinese Communist leader Mao Tse-tung made haste to accept Chiang's invitation to go to Chungking for peace negotiations.

Although the reincorporation of the Communists into the national government of China will undoubtedly be worked out on a compromise basis, Chiang has made it clear that, on one major point at least, he is not prepared to yield: whatever concessions the Communists are accorded as far as their representation in the government is concerned, they must give up their army as an independent military force.

Rebuilding Germany

In all three of the big German occupation zones, the long, hard task of political reconstruction is going forward. In the American and British zones, basic institutions are being rebuilt from the bottom up, with primary emphasis on the small, local groups.



Where the U. S. Navy would like permanent American bases established

In the Russian zone, the method is to recreate political and social organizations from the top down, starting out with the appointment of overall leaders and filling in the rank and file later.

Thus the Russians have set up a new administrative organization for their section of Germany—an organization of 12 departments known as directorates. Its present form parallels our own administrative hierarchy of departments and agencies and is expected to serve as the nucleus of an independent German government when the occupation is over. As yet, the directors of the 12 sections—Germans appointed by the Russians—do not make collective policy decisions in the manner of a cabinet but take their orders from the occupation authorities. Later, however, it is expected that they will take over the duties of full-fledged cabinet ministers.

In the British and American zones, however, the emphasis is on such lesser social structures as labor unions. In the American section of Berlin, for example, individual unions are at a much higher stage of organization than their counterparts in the Russian zone.

Home Front Casualties

In most people's minds, needless loss of life and property is usually coupled with the idea of war. But the fact is that, year after year, another destroyer takes a still greater human and material toll—the Accident.

According to the War and Navy Departments, American war casualties since Pearl Harbor have reached a total of 1,070,819. Of this number,



LITTLE IN NASHVILLE TENNESSEAN

The broad highway

251,000 are dead and the rest wounded, missing, or prisoners. According to the National Safety Council, home front accident casualties for the same period number more than 34,000,000! Of course, many of the accidents included in this staggering figure were trivial, but the number of accident fatalities stands at 335,000—almost 100,000 more than the total of deaths in battle.

Most of the accidents which claim this terrible tribute of life and wealth are easily preventable. As the National Safety Council emphasizes, caution, common sense, and consideration for others are the only devices needed to make most of them impossible.

Who Was to Blame?

Who was to blame for American unpreparedness at Pearl Harbor? In 1942, the Roberts report placed responsibility on Lieutenant General Walter C. Short and Rear Admiral Husband E. Kimmel, respectively Commander of the Army's Hawaiian De-



HARRIS & EWING

DRAFT HEARINGS. The House Military Affairs Committee is now considering the important question of peacetime conscription. Here Rep. Andrew J. May (center), chairman of the committee, talks to Army witnesses. Left to right: Maj. Gen. Stephen G. Henry, Assistant Chief of Staff for the Army's Personnel Division; Rep. May, and Maj. Gen. I. E. Edwards, Assistant Chief of Staff for Operations and Training.

partment and Commander in Chief of the Pacific Fleet at the time of the disaster. For three years thereafter, security considerations prevented further airing of the case.

On the heels of Japan's surrender, however, President Truman authorized publication of the official Army and Navy reports on Pearl Harbor. Kimmel and Short appear less culpable in this version of the incident, though still guilty of faulty judgment. According to the Army and Navy, their errors were, in part at least, occasioned by failures elsewhere. Sharing the blame are Admiral Harold R. Stark, at the time of Pearl Harbor, Chief of Naval Operations; Army Chief of Staff Marshall; Lieutenant General Leonard T. Gerow, 1941 Chief of the War Plans Division of the Army's General Staff; and Cordell Hull, 1941 Secretary of State. Marshall, Gerow, and Stark are charged with negligence and with failing to keep on-the-spot officers informed of what they might expect Japan to do. Hull is criticized for precipitating a break in relations with Japan before the armed forces were ready to take the consequences.

To President Truman, this tangle of mistakes means that everyone was responsible for Pearl Harbor. The whole nation was blind to the situation and each citizen in his own way guilty of letting it happen. But Congress is unwilling to let it go at that. The two houses will shortly begin an inquiry of their own to clarify the circumstances of Pearl Harbor once and for all.

Argentina Again

The government of Argentina is once more on the spot, condemned at home and abroad for its record of anti-democratic and anti-Allied policies and facing consequences from both quarters. At home, strikes and demonstrations testify that virtually every group except the army and the police is lined up against the Peron-Farrell dictatorship. Abroad, American severity has been forecast by the appointment of forthright former Ambassador Spruille Braden to Nelson Rockefeller's old post as Assistant Secretary of State in charge of Latin American affairs.

The government, of which Edelmiro Farrell is president but Juan D. Peron the real strong man, came up against a doughty opponent when Braden was

American ambassador to Buenos Aires. It was quickly discovered that neither threats nor other forms of intimidation could keep him from showing his sympathy for those who favored a change to democracy in Argentina.

Braden's appointment to the critical State Department position means that our government is now prepared to call the Argentine government to account for its misdeeds. Even before he was recalled to Washington, the official change of heart had become apparent as Nelson Rockefeller abandoned his conciliatory tone toward Argentina and denounced her as "the black sheep" of the Pan American family.

British Education

With dynamic Ellen Wilkinson as Minister of Education, the young people of Britain are slated for new opportunities to enjoy the best in schooling. Miss Wilkinson will serve as administrator of the new education act, most comprehensive measure of its kind in British history.

The act places England's exclusive "public" schools (which correspond to "private" schools in this country) within the reach of all students of ability, by providing for state grants for scholarships. It also raises the minimum age for leaving school to 15. It

provides in addition for the complete reorganization of the nation's elementary schools—a reorganization designed to make sure well-designed and well-equipped primary and secondary schools of all types will be available on a tuition-free basis to all British children. For those who have left school to go to work but have not reached the age of 18, it stipulates compulsory part-time education. For 44 weeks a year, all young people in this category will be required to go to school one day a week.

A second task Miss Wilkinson will undertake in her new capacity will be to find teachers and buildings to carry out the provisions of the education act. This will be a major part of the reconstruction work necessary in war-ravaged Britain.

Miss Wilkinson, who is the only woman in the Laborite cabinet, comes to her job with a background in which work in education and work to raise the living standards of the underprivileged are prominent. The daughter of a Manchester cotton worker, she herself obtained education the hard way—working, winning scholarships, going to the state schools which did not require tuition. Having won education for herself, she became a teacher in the elementary schools at Ardwick. Later, she branched out into the trade union movement, in which she became an outstanding leader.

Pronunciations

Asahi—ah-sah'hee
Chiang Kai-shek—jee'ong' ki'shek'—i as in ice
Dai Nippon Seijikai—di' nip'pon say-jee'ki—i as in ice
Dairen—di'ren—i as in ice
Domei—doe-may'
Guantanamo—gwahn-tah'nah-moe
Naruhiko Higashi-Kuni—nah-roo-hee'koe hee-gah'shee koo'nee
Iwata—ee-wah'tah
Kobiyama—koe-bee-yah'mah
Konoye—koe-noe'yeh
Mao Tse-tung—mow' tseh' toong'—ow as in how
Matsumura—mat-soo-moo'rah
Nakajima—nah-kah-jee'mah
Ogata—oe-gah'tah
Yukio Ozaki—yoo'kee-oe oe-zah'kee
Ryukyus—ryoo'kyoos
Saipan—si'pan—i as in ice
Sengoku—sen-goe'koo
Shigemitsu—shee-geh-meet'soo
Sinkiang—sin'kyang
Suzuki—soo-zoo'kee
Tsushima—tsoo-shee'mah
Reijiro Wakatsuki—ray-jee'roe wah-kah-tsoo'kee
Yamaguchi—yah-mah-zah'kee
Yomuri Hochi—yoe-moo-ee'ree ho'chee
Yonai—yoe-ni'—i as in ice

SMILES

Sign in a Los Angeles restaurant window: Boy wanted to sample our pies Saturdays and Sundays. Then, in small type: And to carry a few dishes.

★ ★ ★

When asked how business was going the Hollywood magnate replied: "Colossal. But it's improving."

★ ★ ★

First Student: Light from the sun travels at the rate of 186,000 miles a second. Isn't that a remarkable speed?

Second Student: Oh, I don't know. It's downhill all the way.

★ ★ ★

A boy who applied for a job in a movie theatre was rushed into uniform and put to work. He was back an hour or so later and stated that he was quitting the job.

"What's the matter, son? Aren't the hours and pay good enough for you?" asked the manager.

"Sure," the boy replied, "but I've seen the picture."

★ ★ ★

A paratrooper is a soldier who climbs down trees he never climbed up.

Small boy, calling on next-door neighbor: "If that little boy next door ever bothers you practicing the piano, you might try complaining to his mother."



TODAY IN AMERICAN MAGAZINE

"Funny how things escape you. What's twenty billion, four hundred million times eight light years?"



Full Employment Bill Debated

It can be seen that the outstanding issue involved in the discussions of the Murray bill is the extent to which the government should assume responsibility for the direction of our economic development. Opponents of the measure insist that it is a challenge to the system of private enterprise which has existed in the United States from the beginning of its history. Supporters contend that it would serve to protect that system by preventing widespread unemployment which would be the greatest possible challenge to free enterprise. Congress will determine which of these two schools of thought, in its opinion, carries the greater weight.

Japan Under American Occupation

NOW that the surrender documents have been signed and American troops are establishing themselves as an occupation force, the reality of defeat is being brought home to the Japanese people. How are they reacting to this, the first foreign conquest in their long history?

The impact of defeat on the losers of an all-out war is hard to gauge in advance. History can supply no universal pattern for the reactions of beaten peoples. In Germany, defeat in the First World War brought on a democratic revolution; then the rise of a fascist leadership dedicated to revenge. When France was forced to her knees by Hitler's armies, two things happened. A strongly collaborationist government came to power and a fiercely anti-collaborationist resistance movement developed underground.

Before Japan surrendered, speculation on how her people would behave in the face of military conquest took many directions. Some predicted fanatical resistance on the part of individual Japanese even after formal capitulation—military commanders who would refuse to give in until their forces were overwhelmed, citizen bands which would harass our forces with underground terrorism. Others expected the disastrous end of the war to disillusion the Japanese people about their government. The overthrow of the whole imperial system was forecast. In some quarters, it was believed that the old ruling groups would retain the people's loyalty and bide their time until another attempt at world conquest became possible.

Thus far, however, the salient fact about defeated Japan is that the people have not turned against the government or blamed their rulers for the national catastrophe which has overtaken them. Indeed, there is evidence that the Emperor's prestige has risen since the surrender. Upon receiving the Imperial order, individual military commanders capitulated quietly, most of them without further attempts at resistance.

The second important thing which has become apparent since hostilities ended is that the Emperor and his aides intend to fulfill at least the letter of our demands without further coercion. On the military side, ships,

planes, and military equipment are being handed over to the occupation forces in orderly fashion. There have been few disturbances among the surrendering troops. On the political side, the Emperor has moved quickly to overhaul his government.

Ousting Premier Suzuki and his cabinet immediately after the surrender, the Emperor installed a royal relative, Prince Naruhiko Higashikuni, at the head of a reorganized government. The munitions ministry and other departments concerned with warmaking were abolished. In their place, a reconstruction board was established. Both compulsory military service and the labor conscription system were abolished. A new budget was adopted to meet the needs of national rehabilitation.

These changes were followed by still more striking ones. The Diet—Japanese equivalent of Congress—met and officially changed the government to a democracy. A general election was tentatively scheduled for January, pending the approval of Allied occupation authorities. In preparation for it, a census will be taken in November so that electoral districts may be redrawn.

The Dai Nippon Seijikai, or Greater Japan Political Association, which has been the main instrument of totalitarian control over the people's political life since the militarist clique came to power in the early 1930's, gave way to a legalized multi-party system. Although the old parties have not yet completed their plans, it seems likely that at least two moderate parties will be reconstituted, along with the liberal Labor-Farmer and Social Mass Parties. Leaders of the latter are reported considering joining forces as a Social Democratic Party.

In addition, the Japanese have promised that the people will enjoy civil liberty as specified in the Potsdam Declaration. Political life will be conducted in an atmosphere of free speech and free assembly and freedom of the press is to be granted "after the nation settles down."

While instituting these changes, the Emperor and the new premier have made elaborate efforts to convince the victorious powers of their good faith. Both have urged the Japanese people to obey all dictates of the government



U. S. ARMY FROM H. & E.

PUPPET RULERS. Here is the cabinet of Japan which must take orders from General Douglas MacArthur. Premier Prince Naruhiko Higashikuni is in the front row. Five persons in the second row, left to right: Shigemitsu, Foreign Minister; Yonai, Navy; Nakajima, Supply; Konoye, without portfolio; Iwata, Law. Six persons in the third row: Matsumura, Welfare; Sengoku, Agriculture and Commerce; Yamazaki, Interior; Tsushima, Finance; Kobiyama, Transportation; Ogata, without portfolio. The man at the extreme top right is unidentified.

and the occupying authorities and to accept defeat with courage and composure. They point out that it is only by meticulously fulfilling the peace terms set for her that Japan can hope to regain her place in the community of nations.

The third big thing which has become apparent about the attitude of the Japanese toward our victory is that, by and large, they do not regard it as their own moral defeat. It has convinced them that they were militarily weaker than we; not that they were wrong. All official statements have emphasized the idea that Japan has lost neither her pride nor her hope of restoring the lost national glory. This note was discernible in the speech with which the Emperor opened the fall session of the Diet. It was similarly discernible in the comments of various military leaders, most of which stressed our material superiority and implied that, backed by similar power, the Japanese spirit would have triumphed.

Various members of the Diet laid Japan's defeat at the door of the Tojo regime. Baron Reijiro Wakatsuki charged Tojo's government with cheating the nation "because it told us we had more strength than we actually had." Others spoke in similar vein. Even the country's leading newspapers have been blasting at the militarists.

In a few quarters, however, criticism of the militarists has been accompanied by pleas for democracy. The Tokyo newspaper *Asahi* greeted the opening session of the Diet with a statement of its hope that the reorganized government would prove truly representative. Another of the capital's newspapers, *Yomiuri Hochi*, urged that the Japanese people be trained in democracy so that the nation might start a new life.

The strongest liberal statement of all came from aged Yukio Ozaki, who has been a member of the Diet since 1890. Ozaki, who came into sharp conflict with the Tojo government in 1942, advised Japanese political leaders to embark on entirely new policies. He urged an end to the power of the House

of Peers so that future governments might reflect the popular will more accurately and stated that "a complete overhauling of education is necessary to pound into the people's heads the law of humanity, the difference between right and wrong."

Toward the newly arrived occupation forces, the prevailing attitude seems to be one of restrained hostility and fear. Here and there, efforts have been made to treat the conquerors hospitably. But, for the most part, the population views Allied troops with noticeable distress.

Soon after the arrival of the first American units, Domei, the government-sponsored news agency, warned the people that the occupation might entail looting and violence on the part of our troops. The government itself issued a strict order against fraternization with the occupation armies. Many individual Japanese have fled at the approach of the occupation armies, obviously in terror of mistreatment.

Those who have been questioned have been particularly bitter about the bombings which have killed or rendered homeless so many thousands of Japanese. Like the Germans, they have seen little connection between our bombings and those of their own air forces.

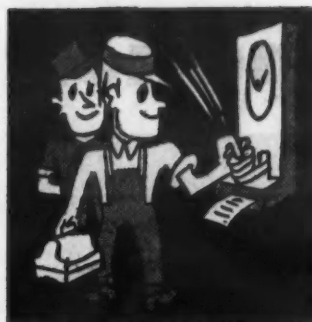
It appears that the bitterest aspect of defeat for most Japanese is the fact that China, the oldest enemy and, among the bigger powers, the weakest, is now victorious. American material superiority is freely recognized and accepted, but numbers of Japanese have confessed that they should have liked to continue the war against China even after surrendering to us.

What do these attitudes indicate with regard to Japan's future? Probably the most important significance they hold for us concerns the size of the educational task ahead. The physical defeat has been easier to bring home to Japan than was anticipated. But it is already clear that if we are to bring the Japanese people into the circle of peaceful, democratic nations, a far-reaching program of education will be necessary.



SIGNAL CORPS FROM H. & E.

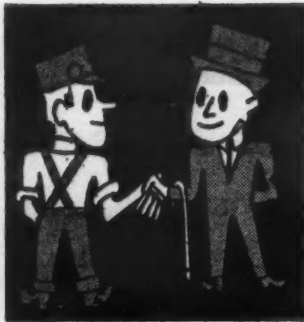
FINAL ACT. Aboard the USS *Missouri*, in Tokyo Bay, General Douglas MacArthur signed the formal surrender document, September 2, which officially brought to an end the war with Japan.



SPEED PASSAGE OF FULL EMPLOYMENT LEGISLATION:



INCREASE AND EXTEND UNEMPLOYMENT COMPENSATION



BOOST MINIMUM WAGES AND ENCOURAGE INDUSTRIAL PEACE



CREATE A FEDERAL SCIENTIFIC RESEARCH AGENCY



PROVIDE PUBLIC WORKS AND DEVELOP NATURAL RESOURCES

President Truman's Legislative Program

WHEN members of Congress come back to Washington from vacation, as they did nearly two weeks ago, quite a little time must be consumed in getting actively to work. When bills are introduced on measures which are to be considered, they are referred to committees and the committees either begin hearings on the bills or lay plans for doing so. Much of this initial work has now been done, and Congress is settling down in dealing with an unusually large number of important matters. Much of the attention of the Senate and the House is being given to the broad program of legislation recommended by President Truman shortly after Congress reconvened.

The President made his recommendations in the second longest message ever submitted by a president to Congress, the longest having been sent to the legislators by President Theodore Roosevelt in 1901.

President Truman's message dealt largely with problems having to do with the reconversion of industry from war to peacetime activities. The tone of the address was hopeful. The President thinks that depression can be avoided. In fact, he believes that we are on the threshold of a period of prosperity.

It is Mr. Truman's belief, however, that we can pass safely through the critical months of transition from war to peace and can achieve prosperity only if the government takes an active part in guiding industrial activity. In taking this position, Mr. Truman falls in the footsteps of the late President Roosevelt. He departs drastically from the policies which were followed by Presidents Wilson and Harding after the First World War.

The plan followed at that time was to have the government remove all its wartime controls over industry and commerce. It was thought that if business and labor and agriculture were left alone, they could find the road back to prosperity without much governmental interference.

There is a difference of opinion over how well this policy worked after the

First World War. Some people, while admitting that there was considerable unemployment and hardship for several years, point to the great prosperity which followed and which lasted until 1929. Others say that if the government had taken action to check unwise industrial policies during those years, the costly depression of the thirties would never have occurred.

President Truman holds to this second viewpoint, and he believes that the government must now assume the responsibility for preventing another depression. He says he wants governmental controls to be removed as quickly as possible, but his message indicates his belief that many things must be done by the government to aid industry and labor.

The President set before Congress a 21-point program, calling for action on many specific problems. Much of his address was taken up with the recommendation of measures which the government should adopt to keep labor employed under fair conditions and at adequate wages. Among his specific recommendations in this field are the following:

1. Full employment legislation. The President urges the enactment of a measure such as the Murray Full Employment Bill, which is analyzed elsewhere in this paper.

2. Unemployment insurance. The message calls for emergency legislation to give to workers larger payments than most of them now receive when they are unemployed. Under the present unemployment insurance law, each state decides how much money per week shall be paid to workers who lose their jobs and also for how long a period these payments shall be continued.

The President calls attention to the fact that in many states the payments are inadequate. In almost half of them, the maximum amount which can be paid to an unemployed worker is \$15 to \$18 a week. The President asks that the federal government supply funds so that in all states the payment to those out of work may be

as high as \$25 a week. Furthermore, many of the states pay benefits for only 18 weeks of unemployment. If a person is out of work for more than that time, he gets no aid. The President thinks that the federal government should furnish enough money so as to supply unemployment insurance everywhere for as much as 26 weeks. He asks also that many workers who do not now come under the unemployment insurance act should be covered by it.

3. Minimum wages. The present minimum-wage law provides that no one shall be paid wages of less than 40 cents an hour. The President thinks that this is not enough—that the minimum should be higher.

4. Fair employment practices. The message calls for legislation which will prevent employers from discriminating against workers because of race or creed.

5. Federal employment service. Mr. Truman asks that more money be appropriated for the establishment and maintenance of federal employment agencies so that these agencies may be in a better position to find work for those who lose their jobs.

6. Health. The message asks for the enactment of a medical health program, including illness and accident insurance.

7. Price control. The Truman message expresses concern over the possibility of inflation and rapidly rising prices. To prevent this, he insists that the federal government should continue to regulate prices in the case of many products. If price control is removed, the President believes, there will be a scramble to buy articles which are scarce, and this will send prices skyrocketing.

8. Housing. Concern is expressed over the housing situation. The President says that from a million to a million and a half houses should be built in the United States each year for the next 10 years. If this is done, the population will be better housed. Fur-

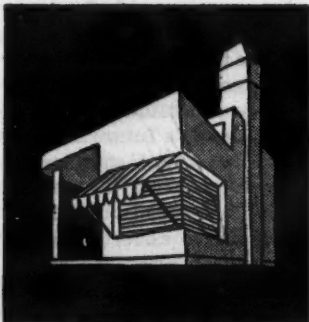
thermore, industry will be active building the houses, providing the necessary equipment and furniture.

While most of the housing operations should be performed by private industry, the President thinks there is much for the government to do. It should engage in the work of clearing away slums and building low-cost, low-rent houses for the low-income groups. The President says: "A decent standard of housing for all is one of the irreducible obligations of modern civilization. The housing challenge is now squarely before us. The people of the United States, so far ahead in wealth and productive capacity, deserve to be the best housed people in the world. We must begin to meet that challenge at once."

9. Foreign relief. The President takes a firm stand on the question of relief for the distressed people of the war-torn countries (see article appearing elsewhere in this issue of THE AMERICAN OBSERVER). He calls upon Congress to appropriate the money for UNRRA in order that the work may be carried on successfully.

The President's message included many other recommendations for legislation. He proposed that the program of aid to veterans be expanded and clarified, that changes be made in the Veterans Administration organization. Other measures proposed include the development of a number of river systems, with plans similar to the Tennessee Valley Authority, the uniting of the War and Navy Departments, the continuation of the Selective Service Act so that young men between the ages of 18 and 25 may receive training and be used for occupation forces, a measure by which Congress would give the President power to reorganize government agencies, and the doubling of the salaries of members of Congress.

Many of the President's recommendations are highly controversial in nature, and the consideration of them by Congress will be accompanied by sharp debate. The debates on the various measures will be analyzed in this paper as they develop.



EXPAND FEDERAL AID FOR HOME BUILDING AND SLUM CLEARANCE



HELP FARMERS BY CONTINUING PRICE SUPPORT AND CROP INSURANCE



CLARIFY AND LIBERALIZE AID TO WAR VETERANS



AID FOREIGN COUNTRIES IN POSTWAR RECONSTRUCTION



RELAX CONTROLS ON INDUSTRY AS CONDITIONS PERMIT